

## Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 PA-04 PRS-01 USIA-15 EB-11 COME-00

AGR-20 L-03 SS-20 NSC-07 SP-03 TRSE-00 OMB-01 TAR-02

AF-10 CIAE-00 INR-10 NSAE-00 RSC-01 NEA-14 DRC-01

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R 201600Z MAY 74

FM AMEMBASSY ATHENS

TO SECSTATE WASHDC 3430

INFO AMCONSUL THESSALONIKI

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E.O. 11652: N/A

TAGS: PINS, EFIN, GR

SUBJECT: THIRTY-NINE PERSONS INDICTED FOR MEAT FRAUD

1. LOCAL PRESS OF MAY 19 CARRIES FULL TEXT OF FINDINGS OF INQUEST ON THE "MEAT IMPORTS SCANDAL." ACCORDING TO INDICTMENT, THIRTY-NINE PEOPLE ARE ACCUSED OF VARIOUS CHARGES INCLUDING BRIBERY, GRAFT, FORGERY, FRAUD, ILLEGAL EXPORT OF FOREIGN EXCHANGE, VIOLATION OF MARKET POLICE CODE AND SMUGGLING.

2. AMONG ACCUSED ARE: (A) MICHAEL BALOPOULOS, FORMER UNDER-SECRETARY OF COMMERCE UNDER THE PAPADOPOULOS GOVERNMENT; (B) ZAFIRIS PAPAMICHALOPOULOS, FORMER DIRECTOR GENERAL OF MINISTRY OF COMMERCE, AND FORMER PRESIDENT OF CIVIL SERVANTS ASSOCIATION; (C) TEN CIVIL SERVANTS; AND (D) A NUMBER OF MEAT IMPORTERS AND DEALERS AND OTHER BUSINESSMEN.

3. MICHAEL BALOPOULOS WHO WAS ACQUITTED OF CHARGE OF GRAFT IS ACCUSED OF VIOLATING REGULATIONS GOVERNING RESPONSIBILITY OF CABINET MEMBERS AS WELL AS PROVISIONS OF CONSTITUTION AND OF STANDING LEGISLATION. WITHIN CONTEXT OF THIS GENERAL CHARGE, BALOPOULOS IS ACCUSED OF EXTENDING PREFERENTIAL AND FLAGRANTLY LIMITED OFFICIAL USE

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PARTIAL TREATMENT TO CERTAIN MEAT IMPORTERS WHO MANAGED, AS

RESULT OF HIS SUPPORT, TO ESTABLISH A VIRTUAL MONOPOLY OF MEAT IMPORTS SETTING UNREASONABLY HIGH MEAT PRICES AT THEIR DISCRETION AND THUS INFLECTING LOSSES TO CONSUMING PUBLIC AND GREEK ECONOMY IN GENERAL. IMPORT LICENSES TO THESE IMPORTERS WERE NOT ISSUED IN COMPLIANCE WITH ESTABLISHED PROCEDURES BUT THROUGH DIRECT APPROVAL OF EITHER BALOPOULOS OR PAPAMICHALOPOULOS. BALOPOULOS IS ALSO ACCUSED OF INTENTIONALLY CONCEALING THE SCANDAL ALTHOUGH HE WAS CAUTIONED ABOUT IRREGULARITIES BY MINISTRY OF PUBLIC ORDER. ACCORDING TO WORDING OF INDICTMENT, BALOPOULOS' DISREGARD FOR THE LAW HAS BEEN PROVERBIAL.

4. PAPAMICHALOPOULOS WHO IS ACCUSED OF GRAFT AND TRANSGRESSION OF DUTIES ADMITTED THAT HE COLLECTED 9 MILLION DRACHMAS (\$300,000) AS GRAFT BUT DENIED THAT HE HAD SURRENDERED PART OF THIS GRAFT TO BALOPOULOS.

5. AS RESULT OF OVERPRICING OF MEAT SHIPMENTS THROUGH FORGING OF INVOICES, DEFENDANTS MANAGED TO EXPORT ILLEGALLY FOREIGN EXCHANGE IN THE AMOUNT OF \$4.7 MILLION.

6. DEFENDANTS ALSO MANAGED TO IMPORT HIGH QUALITY MEAT WHICH WAS CLASSIFIED AS SECOND GRADE AND, THEREFORE, WAS SUBJECTED TO A LOWER RATE OF IMPORT DUTY. AS RESULT OF THIS PRACTICE GOG SUFFERED A LOSS OF 4.5 MILLION DRACHMAS (\$150,000) FROM THE NON-PAYMENT OF THE CORRESPONDING HIGH IMPORT DUTY RATE.

7. IN MANY INSTANCES, MEAT SHIPMENTS WERE MADE FROM RHODESIA OR FROM COUNTRIES WHERE ANIMAL DISEASES WERE PREVAILING AND SHIPMENTS WERE NOT ACCOMPANIED BY APPROPRIATE ANIMAL HEALTH INSPECTION CERTIFICATES.

8. ACCORDING TO PRESS REPORTS HEARING OF CASE AT ATHENS EXTRAORDINARY COURT MARTIAL WILL BE HELD SOMETIME IN JUNE. BALOPOULOS, IF CONVICTED, COULD BE IMPRISONED UP TO TWO YEARS AND DEPRIVED OF CIVIL RIGHTS OVER A PERIOD RANGING FROM TWO TO TEN YEARS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, IMPORTS, FRAUDS, MEATS, GOVERNMENT PERSONNEL  
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**Draft Date:** 20 MAY 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** THIRTY-NINE PERSONS INDICTED FOR MEAT FRAUD  
**TAGS:** PINS, EFIN, GR, (BALOPOULOS, MICHAEL)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005